



Surviving the Great Depression: Maggie Walker Saves the Bank

Target audience: 11th grade VA/ US History

Ties to Virginia Standards of Learning: History and Social Science SOL VUS.10b,c

Materials: Access to reference books, internet. Hats or t-shirts in 6 specific colors: red, green, blue, yellow, white, black, copy of book *A Right Worthy Grand Mission* by Gertrude W. Marlowe

Abstract: Students will read an excerpt of the text, *A Right Worthy Grand Mission* (pp. 242-244) by Gertrude W. Marlowe, in which details of the bank consolidation are described. Students will work in groups based on the color hat or t-shirt they have been assigned and research the problems black banks faced during the Great Depression in the south. Using the handouts provided, students will complete the graphic organizer to decide how their "HAT" would have voted to save the bank. When all groups have finished, the groups should share their results and discuss reasons why they do/do not agree with the idea of merging the banks.

Maggie L. Walker started the St. Luke Penny Savings Bank in 1903 with \$9,430 in deposits gathered from members of the Independent Order of St. Luke, an African-American benevolent society. The order had been formed after the Civil War to take care of the sick and cover funeral expenses of members in exchange for small monthly dues.

Mrs. Walker reasoned that white-owned banks did not want to take deposits from a black organization, and white bankers' reluctance gave her the idea to start a bank, which would become the financial foundation of The Independent Order of St. Luke. "Let us put our moneys together; let us put our money out at usury among ourselves, and reap the benefit ourselves," Walker said in a 1901 speech to the group. "Let us have a bank that will take the nickels and turn them into dollars."

Two years later, St. Luke Penny Savings Bank was formed with Mrs. Walker as its president in the flourishing black community of Jackson Ward in Richmond, Virginia. By 1913, assets had grown to over \$300,000. Jackson Ward was home to five other black-owned banks and many other African American owned businesses including hotels, restaurants and funeral homes. St. Luke Penny Savings Bank made loans to black businesses, students, and black families to buy their own homes. Maggie Walker also set up a weekly newspaper, the St. Luke Herald, which she edited, and a department store that ultimately failed after the white community boycotted it and its suppliers.

In October of 1929 the United States entered an era of economic depression known as the *Great Depression*, prompted by the Stock Market Crash when thousands of investors lost large sums of money. During the 1930's many Americans were unemployed as banks, stores and factories closed and came to depend on public assistance from the government. Many African Americans living in Richmond were the first to lose their jobs, as employers tried to keep whites working as long as possible. The Jackson Ward community where Maggie L. Walker lived was hit particularly hard.

While many of the largest black-owned banks went under during the Great Depression, Maggie L. Walker made sure her bank survived. In 1930 Mrs. Walker called a conference with all the presidents of the other black owned banks in the black community to explore ways they could cooperate and attempt to save their financial institutions. Economic conditions due to the Great Depression led Maggie Walker to convince the others that only if all the resources of the city's African American community were combined would survival be possible. After intense negotiations, Mrs. Walker announced the merger of the St. Luke Penny Savings Bank with two smaller, black-owned banks—The Second Street Savings Bank and Commercial Bank and Trust. On January 2, 1931 the newly formed Consolidated Bank & Trust opened its doors with \$864,000.000 in assets. It was one of the only banks in Richmond to survive the Great Depression. Today, Consolidated has assets of \$116 million, and the majority of its shareholders, who include two of Walker's descendants, are African Americans.

Students and teachers should read the brief introduction above after studying the Stock Market Crash of 1929 and the Great Depression. Teachers should divide the class into groups of 6 and introduce students to deBono's problem solving model of "6 Thinking Hats" (see web links below). The strategy is a problem solving method which requires students to consider a problem, such as the bank consolidation, from multiple perspectives. Students may wear hats or t-shirts to represent each color & perspective.

Each color represents a different perspective:

White Hat...*The Facts - What are the facts?, What information do I have? What information do I need to find out?

Black Hat...*The Negatives - What problems could arise?, What are the disadvantages?

Yellow Hat....*The Positives - Why is this a good idea?, What are the advantages and benefits?

Red Hat...*Feelings - How do I feel about this? What do I like about these feelings?, What do I not like about these Feelings?

Green Hat...*Creativity - What new ideas are possible? What is my suggestion? How can this be changed or improved?

Blue Hat...*The Big Picture - What thinking is needed?, Where are we now? What do we need to do next?

Maggie L. Walker National Historic Site:

<http://www.nps.gov/mawa/index.htm>

6 Thinking Hats strategy, Edward deBono:

http://www.learnerslink.com/getting_started.htm

6 Thinking Hats handouts:

<http://www.learnerslink.com/Six%20Thinking%20Hats.pdf>
www.rostrata.wa.edu.au/curriculum/strategies/6hats.doc

References:

de Bono, Edward. *Six Thinking Hats*. 1985, MICA Management Resources, Inc.

Marlowe , Gertrude Woodruff. *Right Worthy Grand Mission: Maggie Lena Walker and the Quest for Black Economic Empowerment*. 2003, Howard University Press.